

# МІЖНАРОДНЕ ПРАВО



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## MODERN ARCHITECTURE OF THE INTERNATIONAL FINANCIAL SYSTEM

*The article is focused on the legal analysis of the current stage of the development of the international financial system. The forms, principles, and standards of interaction of the subjects of the international financial system are studied.*

**Keywords:** international financial system; unification; universal entities; regional (subregional) entities; IMF; IBRD.

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### Сучасна архітектура міжнародної фінансової системи

*Стаття присвячена правовому аналізу сучасного етапу розвитку міжнародної фінансової системи, зокрема процесу її уніфікації як наслідку фінансової глобалізації. Уніфікація міжнародної системи в цілому та міжнародної фінансової системи як її складової – багатоаспектний процес, який охоплює принципи, стандарти діяльності суб'єктів фінансової системи, спектр фінансових послуг і продуктів та має своїм наслідком нову архітектуру світової фінансової системи.*

*75 років тому під егідою ООН було започатковано процес створення сучасної міжнародної універсальної фінансової системи, закладено підвалини сучасної фінансової архітектури. МВФ і МБРР, маючи майже універсальне членство держав світу, а також контрольні функції, залишаються центральними інституціями у світовій фінансовій архітектурі й поширюють форми і методи фінансової діяльності у співробітництві з регіональними (субрегіональними) акторами фінансової системи.*

*Держави-члени регіональних (субрегіональних) міжнародних фінансових установ є членами одночасно МВФ і Групи Світового банку, втілюють принципи, форми, методи діяльності МВФ*

і МБРР в рамках регіональних фінансових систем. Членство в регіональних банках відкрито для держав інших регіонів, що є членами Міжнародного валютного фонду. Характерною рисою регіональних банків розвитку є участь у них не тільки країн, що розвиваються, а й розвинених країн. Цілі МБРР сьогодні рецептовані практично в усіх статутах міжнародних регіональних (субрегіональних) фінансових організацій. Міжнародна фінансова архітектура включає в себе не тільки виключно міжнародні банківські установи. Недержавні міжнародні організації та так звані пара-організації, які, не маючи статусу суб'єктів міжнародного права, впливають на уніфікацію міжнародної фінансової системи шляхом розробки та застосування на практиці нових стандартів, технологій і вимог.

Нормативне забезпечення архітектури міжнародної фінансової системи – це той напрямок уніфікації фінансової системи, який є прямим наслідком глобалізації й забезпечує постійне співробітництво акторів фінансової системи. Серед сучасних архітектурних ініціатив – інформаційна ініціатива, метою якої є забезпечення прозорості у проведенні фінансових операцій, ініціатива фінансового нагляду, метою якої є посилення контролю та нагляду у фінансовій системі.

Тож сучасні архітектурні ініціативи, що стосуються всіх аспектів розбудови міжнародної фінансової системи, мають спільну мету: адаптувати фінансову систему до глобальних змін, які відбуваються у світі у зв'язку з швидкою інтеграцією фінансових ринків, появою нових форм взаємодії, поширенням переліку фінансових послуг та продуктів; зменшити підстави та підвищити можливість попередження фінансових криз.

**Ключові слова:** міжнародна фінансова система; уніфікація; універсальні суб'єкти; регіональні (субрегіональні) суб'єкти; МВФ; МБРР.

**Formulation of the problem.** The IMF identified the movement of capital and investment as one of the basic aspects of globalization [1]. On the one hand, the movement of capital and investment (financial globalization) is a challenge to the global economic order as a whole, on the other hand, the financial globalization has resulted in the unification of the international financial system. The unification of the international system as a whole, and the international financial system as its component, is a multifaceted process that encompasses the principles and standards of the financial system, the range of financial services and products, and results in a new architecture of the global financial system.

**The analysis of the recent researches and publications.** The state and development of the international financial system as an organizational form of international financial relations, which includes a set of international financial markets, regional, subregional financial systems, financial mechanisms, subjects of the international financial system have constantly attracted attention from researchers of the international economic law. The problems of the financial and banking law have been analyzed in the works by M. Boguslavsky, S. Borynets, S. Brumer, D. Carro, O. Kovaleva, L. Lazebnik, V. Lisovsky, O. Moiseeva, V. Shumilova, E. Usenko, G. Velyaminova, O. Wojciechowski, N. Yerpylova, P. Zhuyar and others.

The goal of the article is a legal analysis of the creation and development of the universal international financial system, and within the frames of its international banking system, the unification of forms and methods, principles and standards of the activity of actors of the international financial system.

Presenting the principal material. 75 years ago, under the auspices of the United Nations, the process of creating the modern international universal financial system

was initiated, and the foundations of a modern financial architecture were laid. The international conference was convened in Bretton Woods, USA, from July 1 to 22, 1944, to develop the foundations of a new world monetary system. Along with enshrining the principles of free trade and capital movements, balance of payments, exchange rate stability and the world monetary system in the new currency project in general, there was set the goal to create the international organization for regulating the world monetary system and cooperation in the financial sphere. In order to implement it, it was decided to establish two universal international organizations – the International Monetary Fund and the International Bank for Reconstruction and Development, designed to provide loans to the member countries in case of the deficit of payments balance, loss of stability of the national currency, and to monitor the Member States' compliance with their commitments. The International Monetary Fund, established in December 27, 1945 and designed for making the new monetary system real and viable, began its operations on March 1, 1947 as part of the Bretton Woods system.

Nowadays, the IMF is an international monetary and credit organization with the status of a specialized agency of the United Nations. The IMF promotes international monetary cooperation and stabilization of currencies, increases their convertibility, and maintains the balance of payments of the Fund's member countries. It provides short-term loans to the member countries to cover their temporary balance of payments deficit, organizes advisory assistance on financial issues and financial assistance [2].

The International Bank for Reconstruction and Development is an international financial and credit organization, which is the most powerful investment institution in the world, and includes 188 countries. According to Article 1 of the Articles of Agreement of 1945 the main objectives of the IBRD are: assisting the member countries in their economic development by providing them with long-term loans and credits; encouraging foreign investment through the provision of guarantees or participation in loans and other investments of private creditors; stimulating the long-term balanced growth of the international economy [3].

The spread of cooperation in the financial sphere, the issue of effective financing of private business, assistance in financing private enterprises through investments or investments without guarantees of the respective member states, stimulating the flow of private capital to private enterprises of the member states has led to practice in accordance with Article 1 of the Articles of Agreement of 1945, the main objectives of the IBRD and to establish a group of interconnected and IBRD international financial organizations.

Nowadays, the IBRD is a multilateral credit institution, an international legal institution consisting of five closely related international organizations: the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC) [4], the International Development Association (IDA) [5], the Multilateral Investment Guarantee Agency (MIGA) [6] and the International Center for Investment Dispute Resolution (ICSID) [7]. These

international financial organizations have the status of specialized UN agencies. They are legally independent international financial organizations that are linked by common goals aimed at achieving the goals of the IBRD. They have a single administrative system and a common institution of membership and thus function as a single whole.

The experience of the IBRD and the objective need in solving common problems, ensuring the movement of capital in the regions, and the development of integration processes lead to the creation of regional international credit and financial institutions. The European Investment Bank (EIB) [8] can be considered to be the first among the international regional banks which was founded in 1958 by EU member states. Gradually, regional banks and other actors in the international banking system were created almost in all regions. These are the Inter-American Development Bank (IDBR) [9], established in 1959 to assist in accelerating economic and social development in Latin America and the Caribbean, the African Development Bank (AfDB) [10], established in 1963 and based on the recommendation of ESA, the Asian Development Bank (ADB) [11], established in 1965 under the auspices of the Economic Commission for Asia and the Far East to promote economic growth and cooperation in Asia and the Far East. Regional banks operate in the respective economic regions and pursue the goals arising from the needs of developing countries. The differences between them are mainly due to the level of economic development of the countries belonging to different continents: Asia, Africa and Latin America.

The further development of the architecture of the international financial system, new forms of cooperation, deepening cooperation between countries of different regions lead to the specialization of international banks, among which are interregional (subregional) development banks, which in comparison with regional ones have a number of specific features. As a rule, they operate within the relevant integration groups, paying more attention to projects of subregional significance than national ones. Interregional development banks work with regional banks and often act as their borrowers, and sometimes conduct co-financing operations. These include the Arab-African International Bank, the Arab-Latin American Bank, and so on. Nowadays, the number of regional and subregional banks is constantly increasing.

Unlike the actors of the international financial system of general competence, which provide a wide range of financial services, specialized international banking institutions perform functions which are discussed in advance in their statutory documents and relate to a specific area of international financial cooperation (African Export-Import Bank, International Investment Bank). The most famous of them are: the Central American Bank for Economic Integration, the Caribbean Development Bank, the Andean Development Corporation, the Islamic Development Bank, the Arab Economic Development Bank of Africa, the Arab Fund for Economic and Social Development, the Asian Infrastructure Investment Bank ABII, the European.

For the regional banks, the creation of special funds has become a common phenomenon, through which they distribute soft loans that are not profitable enough,

but necessary for the integrated development of economic and social infrastructure, especially in the less developed countries. The European Monetary Cooperation Fund (EMF) operates within the framework of the European economic cooperation.

Regional development banks are leaders, a mechanism for cooperation between national banks and the World Bank Group in assisting developing countries in the development of national economies, economic cooperation and regional integration. The result of this process is a regional form of unification of the international financial law, application of principles, standards, and regulations of the IMF and IBRD in the implementation of financial activities.

Integration processes within the international financial (banking) system lead to the creation of regional (subregional) international financial structures. The regional banking systems are created within the framework of regional and subregional integration associations. Examples of such regional banking systems are the EU banking system, a system established within the framework of MERCASUR, between members of the Andean Community of Nations, within the Organization of the Petroleum Exporting Countries (OPEC).

The European System of the Central Banks (ESCB) is a system that includes the European Central Bank and the central banks of the EU countries, created primarily to ensure the price stability. It develops and implements a coordinated monetary policy of the participating countries and foreign exchange transactions, as well as settlement transactions within the balance of payments, approves banknotes, provides appropriate consultations, etc. Created in accordance with the terms of the Maastricht Treaty the ESCB is relatively independent, which is manifested primarily in the impossibility of coercion by governments to cover their external and internal debts. The European Central Bank, the central bank of the Eurozone, determines the monetary policy of the EU countries; sets key interest rates, and manages the official reserves of the European System of Central Banks (ESCB), whose main task is to maintain price stability, has the right to authorize the issuance of banknotes within the monetary union.

The Andean Development Corporation (ACP), which was founded in 1968, acts as a development bank, as an investment bank and as an agency for economic and financial assistance. Latin American Reserve Fund (LRF) manages part of the foreign exchange reserves of member countries to maintain balance of payments and harmonize financial and monetary policies.

Within the framework of the South American Common Market, which is an interstate economic association of South American countries, under the auspices of the Central Bank of Brazil, there is a Subgroup on Financial Agreements, which coordinates issues of banking supervision, unification of banking and stock legislation, and the fight against money laundering.

Along with international banks, the banking functions are also performed by the international development funds, international regional and interregional currency funds, investment funds, including the Arab Monetary Fund, the African Development Fund, and the OPEC Fund.

The International Development Fund (OPEC Fund) is a multilateral financial institution designed to promote cooperation between OPEC member countries and other developing countries. The main purpose of the Fund's activities is the financial cooperation between OPEC member countries and other developing countries by providing soft loans to finance balances of payments, for the implementation of development projects and programs. The main activity of the Fund is considered to be the provision of loans and subsidies on favorable terms (at a low interest rate). It is a donor or creditor of a number of other international organizations, such as development agencies of OPEC member countries (Kuwait Fund, Arab Fund for Economic and Social Development, etc.). The creation of the funds is associated with the accumulation of the members of the Organization of Petroleum Exporting Countries (OPEC) large financial resources, due to which their funds are formed.

The regional development banks in Africa, Asia and the Americas also receive financial resources. In addition to the International Development Fund, OPEC member countries have established other joint economic and financial structures, including seven multilateral aid institutions, six bilateral development aid institutions and three trust funds: the Arab Monetary Fund, the Arab Economic and Social Development Fund, the Arab Trade Finance Program, the Arab Bank for Economic Development of Africa, the Islamic Development Bank. The OPEC Bilateral Development Assistance Institutions are Iraqi Foreign Development Fund (Iraqi Fund); Kuwait Fund for Arab Economic Development (Kuwait Fund); Saudi Development Fund (Saudi Fund); Venezuelan Investment Fund. The OPEC Trust Funds are Arab Oil Fund; Nigeria Trust Fund; Venezuelan Trust Fund.

An example of new forms of the development of the world financial architecture is the Arab Bank for Economic Development of Africa – an interstate investment institution established in 1973 for the credit cooperation of the League of Arab States (LAS) with the member countries of the Organization of the African Unity (OAU). Its members include 16 participants from LAS and Egypt. The Bank is designed for providing long-term loans to non-LAS member states on preferential terms to finance development projects.

On the one hand, each international financial institution has its own specifics and structure. The purposes of their creation and the basic functions are defined by their statutes, rules, and constituent acts. But their members are now members of both the IMF and the World Bank Group, membership in regional banks is open to countries in other regions which are the members of the International Monetary Fund [12]. The characteristic feature of regional development banks is the participation of not only developing countries but of developed countries. Developed countries generally have one third of the votes of bank members. As the distribution of votes on the boards of directors of banks is commensurate with the participant's contribution, industrialized donor countries have a large influence on regional development banks.

Nowadays, the IBRD goals are formulated in almost all statutes of international regional (subregional) financial organizations. These are economic development,

economic cooperation and integration in the region. They have the same procedure for forming liabilities, the same form of government (President, Board of Directors, ADB Board, Board managers and the Committee of the Board of Governors, the Board of Directors-Executive-IDB, the President, the Board of Governors, the Administrative Board-AfDB), identical lending objects – mainly infrastructure, agriculture, mining.

The IMF and IBRD, with almost universal membership of the world, as well as supervisory functions, remain central institutions in the global financial architecture and disseminate forms and methods of financial activities in cooperation with regional (subregional) actors of the financial system.

The experience of the international financial system, analysis of the causes of global financial crises draw attention to the strengthening and expansion of supervision over the financial activities of actors in the financial system, the unification of international standards and principles of their activities. In cooperation with national and international bodies, under the auspices of the IMF and IBRD, international standards have been developed in the field of reporting, banking supervision, tax, budget, credit and finance.

The Bank for International Settlements [13], which invariably remains the central banking institution within the global financial system, makes a significant contribution to the process of unification of international financial (banking) activities. One of the main goals of the Bank's international activities is to strengthen international financial stability, which it fulfills through the coordination of the activities of central banks. Such activity acquires special urgency under modern conditions of integration of the world financial markets. At the same time, not only central banks-shareholders, but also other central banks (about 120), as well as various international financial institutions use BIS as a bank. Today BIS is a global forum that promotes international cooperation between banks. It regularly organizes meetings (Basel meetings) of representatives of central banks of member countries and other central banks, and cooperates with the Group of Ten.

At the Bank for International Settlements in 1974 in Basel, Switzerland, the Basel Committee on Banking Supervision was established by the presidents of the central banks of the “group of ten” (G10) [14]. The main tasks of the Committee are the introduction of common standards in the field of the banking regulation. For this purpose, the Committee is developing directives and recommendations for the regulatory authorities of the Member States. These recommendations are not binding, but they are now implemented in the national laws of the Member States. The development of directives and recommendations is carried out in cooperation with national banks and regulatory authorities and thus they are used not only in the member states of the Committee. For example, the work on the implementation of Basel II recommendations is carried out in more than 100 countries. Offshore Banking Supervision Group [15] or, more correctly, Offshore Banking Supervisory Group, was established in October 1980 on the initiative of the Basel Committee on Banking Supervision. It is an association of state banking supervisors of the countries

where offshore financial centers operate. OGBS has a working group to develop international standards for regulating the activities of trusts and management companies. In 2011, due to the expansion of its scope of regulation, the Offshore Group of Banking Supervisors changed its name and is known now as the Group of Supervisors of International Financial Centers. The importance of fast and reliable calculations under modern conditions is difficult to overestimate. It is no exaggeration to say that the normal functioning of the international banking system depends on the functioning of the settlement mechanisms (the technique of transferring funds from account to account in the broadest sense of the word). This is one of the most important areas of unification of financial architecture. For this purpose, the Bank for International Settlements has established a special regulatory committee on payment systems and settlements in Basel (Basle Committee on Payments and Settlement Systems). Nowadays, it has developed more than 20 documents, including recommendations on settlements with financial derivatives, taking into account systemic risks in securities and foreign exchange transactions, mechanisms for transferring large payments between central banks, etc. Among many developments of the Committee is the document entitled “Fundamental Principles for the Functioning of Systemically Important Payment Systems”. The modern international financial system doesn’t include only exclusively international banking institutions. Non-governmental international organizations and so-called para-organizations, which do not have the status of subjects of the international law, have a significant impact on the unification of the international financial system through the development and practical application of new standards, technologies and requirements. These include the Interstate Financial Telecommunications Society (SWIFT), the Paris and London Creditor Clubs, the Group of Seven, and the FATE. Within the institutional framework of international cooperation in the fight against money laundering, a special place is occupied by the “Group for the Development of Financial Measures to Combat Money Laundering” – FATF [16]. With the adoption of a new version of the Forty FATF Recommendations in June 2003, a new common methodology was developed and approved by the FATF Plenum in February 2004 and at the IMF and the World Bank Board of Directors in March of that year. Assessing the effectiveness of the IMF’s anti-money laundering and anti-terrorist financing programs, the Fund’s executive directors further stressed the need to agree with the FATF on the methodology for evaluating and implementing countries’ anti-money laundering programs [17]. The Paris and London Creditor Clubs are the leading international financial associations. The Paris Club of Creditors is an association of creditor countries, leaders of the world economy, created in 1956 to discuss and regulate the problems of sovereign debt [18]. It works in two areas: lending to developing countries; restructuring of the existing debt.

This para-organization was formed on the basis of irregular meetings of representatives of the developed creditor countries in case of problems with the debt repayment by the debtor countries. Permanent negotiators at the Paris Club include the IMF, the World Bank, the United Nations Conference on Trade and



Development (UNCTAD) and the debtor country, which has requested a debt review. The peculiarity of the structural organization of the Paris Club is that it is a meeting of representatives of independent public debtors. Under the terms, the Paris Club of creditors agrees to re-issue the debt of the debtor country only if the country has a program supported by the IMF under the relevant mechanism of the upper credit tranches. Any decision taken by the Paris Club of creditors on a loan from a creditor country must be based on an assessment of the specific economic and financial situation in that country.

In 1976 an international informal association of representatives of the largest private commercial banks and financial institutions was formed. The purpose of this association was to solve the problems arising in connection with the inability of countries to regularly repay payments on the external debt. As such negotiations take place in London, the club was named «London Club». Within its framework and according to its rules, decisions on the procedure for restructuring, repayment and servicing of external public debts to private commercial banks and financial institutions are discussed and worked out. The condition for concluding the agreement is the same as in the Paris Club of creditors: the adoption by the debtor country of the IMF program on structural restructuring of the economy and economic reforms.

On the basis of the Eurocurrency Committee, a permanent body of the Group of 10 since 1971, the Committee on the Global Financial System has been established. The functions of the Standing Committee on Eurocurrencies include the study and development of recommendations for improving banking regulation of the Eurocurrency market. His recommendations, in particular, include improving the statistics of financial derivatives, taking into account the risks of regular and comprehensive monitoring of the processes in financial markets, promoting the formation of stable and efficient financial markets and systems by analyzing alternative approaches to the policy making.

The creation and implementation in practice of statutory tasks by international financial organizations has made a significant contribution to the codification of the modern public international law. First, these are universal international agreements. These are agreements on the establishment of universal financial organizations (statutes of international financial organizations, banks, funds), which play an important role in regulating international financial relations, including the Articles of the Agreement of the International Bank for Reconstruction and Development, Articles of the International Monetary Fund, statutes of international banks. These are also universal international conventions, the subject of regulation of which are certain areas of financial activities of the states. Among them are the Geneva Convention for the Implementation of the Unified Law of Bills of Exchange and Promissory Notes of 1930, the Geneva Convention on the Uniform Law on Checks of 1931, the UN Convention on Independent Guarantees and Reserve Letters of Credit of 1995, the General Loan Agreement, the International Factoring Convention of 1988, the United Nations Convention on Bills of Exchange and Promissory

Notes 1988, General Loan Agreement, Convention on International Financial Leasing 1988, Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism 2005 International Convention on the Suppression of UNIDROIT Convention on International Financial Leasing, International Factoring, International Convention on the Suppression of Terrorism. Secondly, these are regional agreements which regulate the activities of regional financial organizations. They occupy a special place, among them there are the rules of governing financial activities within the European Union. The normative development of the international financial system is a significant and necessary direction in the development of the financial architecture of the world, and its foundations.

The peculiarity of international financial organizations is that they are given broad rule-making powers in the field of regulation of the international financial system. According to the Statutes, international financial organizations have the power to establish internal standards, procedures that are actually legal norms, and also have the right to interpret their internal acts and to consider disputes related to their application, to provide guarantees to their members and monitor the implementation of their obligations by the states with the application of their own sanctions defining in the statutes the purpose of the activity, and the list of functions and operations. The international banks develop their own internal rules for these operations, the principles of statutory activities, requirements for the provision of loans and guarantees, and the subjects of financial services. In order to ensure the implementation of the main statutory functions, the General Terms and Conditions for Concluding Loan and Guarantee Agreements were adopted by the Board of Governors of the IBRD in 1969. In 1995 the General Terms and Conditions, which apply to IBRD Loan and Guarantee Agreements for Monocurrency Loans were adopted [19]. And the IBRD General Conditions for Lending were adopted on July 1, 2005 [20]. Today these internal documents of the Bank form the regulatory framework of the lending process within the World Bank group, determine the basic requirements for the states in obtaining the credit resources of the Bank, regulate the Bank's control over compliance with its obligations under credit agreements, specify the conditions for arbitration in order to settle disputes between the parties of these agreements. At the universal level, these terms define the basic terms of the loan within a universal international financial institution. These conditions include the initial one-time commission, interest, repayment terms, including ahead of schedule cases, the place of payment, terms of payment, the partial payment, the currency of payment, the method of payment.

The unification in the financial sphere in the context of globalization has gained access to the areas of the domestic law, which have traditionally been governed solely by the rules of this system, respectively, unifying it. A striking example is also the Ukrainian financial and banking legislation, which includes unified international rules, standards, and principles of control. Modern financial institutions are developing their own regulations that regulate issues related to the

implementation of the projects for which loans are provided, and control over their intended use.

The expansion of the list of financial services, borrowers, services and products provided by financial institutions to the private sector, which in their turn increase financial risks, has led to the practice of including in the texts of the financial service the agreement rules which provide constant monitoring of borrowers' performance. According to these agreements, the projects must be carried out with due diligence and efficiency in compliance with the appropriate administrative, technical, financial, economic, environmental, and social norms and methods. The parties of the projects take appropriate measures to insure any goods required for the relevant parts of the project and are financed from the loan, against the risks associated with the purchase and transportation of these goods and their delivery to the place of use or installation.

The parties of the agreements shall adhere to and ensure compliance with the policies and procedures necessary to continuously monitor and evaluate the implementation of the project and the achievement of its objectives, using indicators acceptable to creditors [21; 22].

The terms include the ongoing cooperation and consultation as a form of control over the borrower's compliance with the terms of the loan. The Borrower provides the Bank with all reasonable opportunities to visit any part of its territory for the purposes of the Loan or the Project. The financing agreements take into account the cases where the right to continue using the loan may be suspended in whole or in part after the notification has been sent. These include non-payment, default, fraud, corruption, emergency, misrepresentation, membership (a participating State is suspended from the ICB or has ceased to be a member of the International Monetary Fund). The rights and obligations of the IBRD and the Parties loans under agreements have the legal force and are secured by legal sanctions in accordance with their terms, notwithstanding the laws of any state and its political subdivision, where the opposite is stated.

Nowadays, the main provisions of these regulations are formulated in the internal regulations of regional (subregional) international financial institutions which regulate these issues[23]. The national legal systems ensure, through unification, the implementation of these provisions in the territory of the States Parties.

The bilateral agreements between the states have a significant impact on the regulation and unification of the international financial activities. An important place in the regulation and unification of the international financial system is occupied by the international customs and decisions of non-governmental international organizations and entities. Thus, settlement transactions in the international financial system are governed by a set of rules and customs codified by the International Chamber of Commerce. The International Chamber of Commerce has developed a number of documents that actually set the standards for certain financial transactions. These are first of all the Unified rules and customs for documentary letters of credit, the Unified rules on collection of commodity documents and others.

The International Chamber of Commerce, as a non-governmental international organization, is at the same time a collective advisory body to the IBRD, and since 2016, an official overseer of the UN General Assembly. Two specialized commissions deal directly with the issues of monetary and financial relations in the International Chamber of Commerce – the Financial Services and Insurance Commission and the Banking Technology Commission. The Financial Services and Insurance Commission is a cross-sectoral institution whose activities are mainly aimed at removing barriers to operations in the international financial services market, including through participation in the development of effective market surveillance and self-regulation systems (i.e. regulation of relevant activities by market participants financial services without the government intervention). In practice, the Commission formulates the position of the International Chamber of Commerce on key issues of financial services development and regulation and submits relevant documents to the International Monetary Fund, the World Trade Organization, the European Commission, the World Bank and the United Nations. The Commission consists of sellers and buyers of financial and insurance services, financial and insurance intermediaries, which enables it to influence the policy of the international community in the relevant market. The activities of the Commission on Banking Techniques are aimed at: developing new unified rules; updating the unified rules for documentary letters of credit and collection; revision of banking procedures for the introduction of automated data processing technologies, etc.

The interaction of states within the international financial system is constantly expanding. All this is a condition for concluding new agreements to regulate financial activities. Stabilization of financial markets creates ample opportunities for the integration of various financial institutions, has significantly strengthened the processes of capital transnationalization and the development of the international financial system. International financial institutions, most of which are international banks, provide a similar list of financial services. And this is another direction of universalization of the international financial system. Today, the list of financial services provided by international banks includes lending and lending to member states, joint financing with multilateral institutions, participation in loans private sector enterprises, investments in the share capital of enterprises (both public and private sector), provision of guarantees, financial advice, placement of special funds, placement of free funds on deposits, purchase and sale on the secondary markets of securities, guarantee of securities. providing technical assistance in financing projects, etc. Agreements concluded by international banks are characterized by significant legal specifics due to the peculiarities of legal relations arising within these international financial institutions, distinguishing them from the agreements of other organizations. The legal analysis of the nomenclature and classification of financial transactions of international banks also raises questions about the legal status of these agreements, theoretical and practical problems that characterize the legal nature of these agreements, the ratio of the international public and private law.

**Conclusions.** Nowadays, under the auspices of the UN, the architecture of the international financial system has been developed in the international system, which has its actors, unified standards, principles, and forms of activity. The IMF and IBRD undoubtedly remain the center of the branched institutional financial system. The modern normative support of the architecture of the international financial system is the direction of unification of the financial system, which is a direct consequence of globalization and ensures constant cooperation of the actors of the financial system. The modern architecture of the international financial system has been put into practice on the important and necessary initiative: since 2012 the International Finance Tribunal has started its work in the Hague. Financial challenges have put the issue of supervision and control over the architecture of the financial system in the first place. As it has been noted, international bodies and organizations have been established and started operating within the frames of the international system. They supervise and control both the bilateral and the multilateral system. The system of supervision, which is implemented both at the universal level, within the IMF and IBRD, as well as at the regional level, as well as within special international bodies, aims at maintaining the stability of the architecture of the financial system, and control over the financial policies of the member states. Among the architectural initiatives is an information initiative, the purpose of which is to ensure transparency in conducting financial transactions, the creation of the information base that is accessible to all actors in the international financial system. This initiative was embodied in the IMF Codes: the Code of Conduct for Monetary and Financial Policy Transparency: the Declaration of Principles (1999) [24] and the Code of Proper Practice for Ensuring Transparency in the Budget and Tax Sphere (2007) [25]. In order to ensure the information initiative, the IMF and the IBRD annually publish Reports on Global Financial Stability, reports on the prospects for the world economy. Modern architectural initiatives, which address all aspects of building the international financial system, have a common goal: to adapt the financial system to global changes in the world due to the rapid integration of financial markets, the emergence of new forms of interaction, expanding the list of financial services and products; reducing the grounds and increasing the possibility of preventing financial crises.

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### **Современная архитектура международной финансовой системы**

*Статья посвящена правовому анализу современного этапа развития международной финансовой системы. Исследованы формы, принципы, стандарты взаимодействия субъектов международной финансовой системы.*

**Ключевые слова:** международная финансовая система; унификация; универсальные субъекты; региональные (субрегиональные) субъекты; МВФ; МБРР.

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